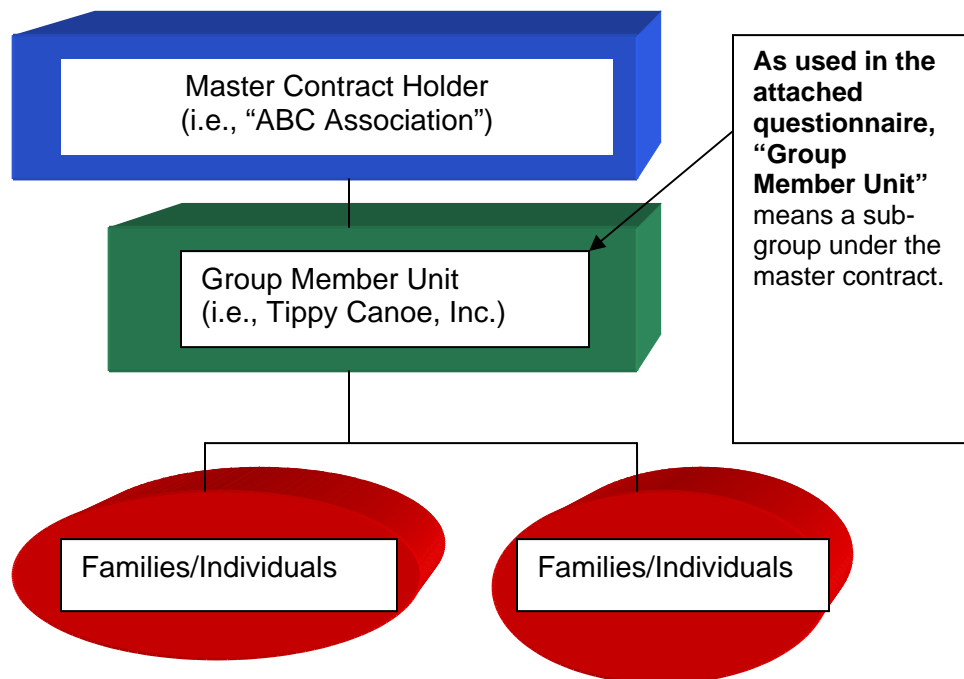


The Washington State Insurance Commissioner is asking all health carriers to provide their criteria used to underwrite association, trustee, and member governed groups, or other groups whose members are not affiliated strictly in an employer/employee relationship. This survey is not meant to capture information on school districts, self-insured plans, or coverage provided under the State of Washington's Public Employees Benefits Board (PEBB) programs or programs administered by any other state agency.

More specifically, the request includes information related to basic procedures used to underwrite association-type groups. And, because each carrier has a slightly different definition of what a participating group is under an association-type plan, the example below is provided as a reference to terms used in the questionnaire. The questionnaire has been designed so that the requested data can be submitted with the least amount of inconvenience possible.



With the above definition in mind, carriers that provide health benefit plans are asked to complete the attached survey. The survey is presented in a Microsoft Excel spreadsheet that can be completed and then e-mailed to this office. Please note that a "macro" is included in the spreadsheet. To enable the macro please make sure your macro security is set to "low." This setting can be located by going to the menu in Excel and depressing the "tools" option. The macro security option should be one of the last options under "tools." After the security setting is changed to "low," the spreadsheet has to be closed and then reopened in order for the macro to properly work.

To enable a form that can be used to quickly populate the spreadsheet, simply depress "ctrl" and the "j" keys at the same time. This will bring up a form shown in example # 1. Please complete a separate form for each Master Contract Holder.

| Data Call Questionnaire | | 1 of 1 |
|---|----------------------------|-----------|
| 1. CONTRACT HOLDER NAME: | ABC Association | New |
| 2. Plan is a(n): Association, Trust, Union, Member Governed Group, Other: | Association | Delete |
| 3. Year-End Enrollment: | 35000 | Restore |
| 4. Minimum GMU group size eligible to purchase health coverage: | 1 | Find Prev |
| 5. Is coverage based on employment? : | Yes | Find Next |
| 6. Do GMUs Have Minimum Participation Requirements? : | Yes | Criteria |
| 7. How Many GMUs Are A Group Of 1?: | 4 | Close |
| 8. Are health statements/screens used for underwriting the GMU at Initial Enrollment or Renewal? : | GMU | |
| 9. If Yes, Is Enrollment and Rating Conducted At GMU Level Or At The Individual Level? : | GMU | |
| 10. Which of the following criteria affect premium rates: | Do Not Enter In This Field | |
| A. Age: | Yes | |
| B. Family Size: | Yes | |
| C. Gender: | No | |
| D. Industry Factor: | Yes | |
| E. GMU Size: | Yes | |
| F. Health Statement: | Yes | |
| G. Medical Experience of GMU: | Yes | |
| H. Medical Experience of Contract Holder: | Yes | |
| I. Other : | No | |
| 11. Ratio for the highest rate band/lowest rate band due to health statement/screen or the medical experience of GMU: | 5 | |
| 12. Ratio of highest rate band/lowest rate band due to GMU group size.: | 1.5 | |

Example 1

LABEL NAME IN MICROSOFT EXCEL

DEFINITION OR EXPLANATION OF LABEL

1. CONTRACT HOLDER NAME

Please state the complete name of purchaser of health plan

2. Plan is a(n): Association, Trust, Union, Member Governed Group, Other

Please state whether the group is an association, trust, or member governed group. If group is listed as "other," please describe the nature or make-up of the group.

3. Year-End Enrollment

Please state the total number of enrollees covered under this plan as of 12/31/2004.

4. Minimum GMU group size eligible to purchase health coverage

Many plans enroll smaller sub-units, such as businesses. For example, a local Chamber of Commerce may offer an association plan to its members to provide health insurance for the employees of that member's business. We refer to these smaller units as "Group Member Units" (GMU). Please state the minimum group size for any smaller sub-units that are permitted to purchase health benefits under this contract. If the minimum group size is one, please so state.

5. Is coverage based on employment?

Please answer "Yes" or "No" whether eligibility is dependent on an employer/employee relationship. For example, some bona fide associations are created for purposes other than purchasing healthcare and for this contract holder eligibility for health benefits is based on membership and not employment. One such organization is the AARP.

6. Do GMUs Have Minimum Participation Requirements?

Please answer "Yes" or "No." Is there a minimum participation requirement at the Group Member Unit level?

- 7. How many GMUs are a group of 1?** Please state how many Groups or Group Member Units are made up of a single subscriber, or Group of one?
- 8. Are health statements/screens used for underwriting the GMU at initial Enrollment or Renewal?** Please answer "Yes" or "No." Are health statements required for underwriting the Group Member Unit?
- 9. If Yes, Is Enrollment and Rating Conducted At GMU Level Or At The Individual Level?** If your response to question 8 is "Yes", is health underwriting conducted down to the individual/family level or is health underwriting conducted at the Group Member Unit level. Answer should be either: "GMU" or "Individual."
- 10. Which of the following criteria are factors in calculating premium rates:**
- A. Age** Please answer "Yes" or "No." Is age a factor in underwriting?
 - B. Family Size** Please answer "Yes" or "No." Is family size a factor in underwriting?
 - C. Gender** Please answer "Yes" or "No." Is gender a factor in underwriting?
 - D. Industry Factor** Please answer "Yes" or "No." Is the industry of the GMU or sub-group a factor in underwriting?
 - E. GMU Size** Please answer "Yes" or "No." Is GMU size a factor in underwriting?
 - F. Health Statement** Please answer "Yes" or "No." Are responses to health statements a factor in underwriting?
 - G. Medical Experience of GMU** Please answer "Yes" or "No." Is the GMU/s claims experience a factor in underwriting?
 - H. Medical Experience of Contract Holder** Please answer "Yes" or "No." Is claims experience for the entire master group a factor in underwriting?
 - I. Other** If underwriting is dependent on other criteria not listed, please describe the additional criteria used and how they are used.
- 11. Ratio for the highest rate band/lowest rate band due to health statement/screen or the medical experience of GMU.** Please state the ratio of the highest rate band in relation to the lowest rate band due to health statement/screen for the medical experience of the GMU. If rates do not vary by health statement/screen or the medical experience of the GMU, then the ratio is 1.
- For example, the "ABC Company" (GMU) is charged \$100 per member per month (PMPM) if it is placed in the lowest risk band, and is charged a \$500 PMPM if it placed in the highest risk band. In this example, the ratio for the highest rate band to the lowest rate band due to health statement/screen or the medical experience of the GMU is 5.
- 12. Ratio of highest rate band/lowest rate band due to GMU group size.** Please state the ratio of the highest rate band in relation to the lowest rate band due to GMU group size. If your rates do not vary by GMU group size, the ratio is one. Please use age 40 as a benchmark to calculate the ratio.
- For example, a carrier has two rate bands. One rate band is for GMUs with 1 through 5 subscribers, and a second rate band is for GMUs with more than 5 subscribers. A 40 year old individual in band 1 (GMU size between 1 through 5) is charged a \$100 PMPM. Meanwhile, the same 40 year-old individual in band 2 (GMU size 5+) is charged \$150 PMPM. The ratio for the highest rate band to the lowest rate band due to the GMU group size is 1.5.